



“Change will not come if we wait for some other person or some other time. We are the ones we’ve been waiting for. We are the change that we seek.”

~ President Barack Obama

Why Now?

African Americans’ economic growth when compared to whites has remained stagnant since the Jim Crow Era. Additionally, the growing American backlash toward efforts to uplift people of color and the general ineffectiveness of traditional (and/or outdated) social justice efforts require African Americans to galvanize its resources to spur economic growth. Economic empowerment is the main tool that will “move the needle” forward for the Black community and bring the desired change we seek.

The Facts

- Despite African Americans having a collective buying power of \$1.3 trillion, just two cents of every dollar a Black person spends in this country goes to Black-owned businesses (i.e., money goes out and does not come back into the community).
- If Blacks increased spending on Black-owned businesses from two cents to 10 cents of every dollar, one million jobs could be created for our community.
- One dollar circulates in Asian communities for 30 days, in Jewish communities approximately 20 days, and in white communities 17 days. In contrast, one dollar circulates in the Black community only six hours!!!
- From 1983 through 2013, the average wealth of white families grew by 84%, three times faster than the rate for African American families. If the past 30 years were to repeat:
 - White household wealth would increase \$18,368 a year - topping out at a \$1.2 million
 - Black household wealth would increase by only \$765 per year, reaching more than \$107,000 by 2043
- Assuming white wealth remained stagnant at today’s levels and average Black wealth grows at the same pace it has over the past three decades, it would take average Black families 228 years to amass the same amount of wealth White families have today - that’s the year 2241. **To put this number in perspective, the amount of time Black families would need to build the wealth white families have today is just 17 years shorter than the 245-year span of slavery in this country.**

Mission

Based on the tradition of cooperative economics, BCIF is a 501(c)3 nonprofit, community-based fund that provides microloans to African Americans that have a high likelihood of building assets through pooled dollars from individuals who are passionate about empowering the African American community, with a specific focus on communities in the Southern California region.

Vision

To provide a dedicated, reliable, and perpetual source of capital to create assets and build wealth for, and within, African American communities.

Financial Goal

To raise a minimum of \$500,000 annually

Giving Areas

To secure or grow individual or business assets, primarily through:

- Securing primary residential or investment property
- Renovations and upgrades for residential or investment property
- Starting small businesses
- Securing growth capital for small businesses

Objectives

- Distribute 24 - 36 microloans annually, ranging between \$5,000 - \$20,000
- Annually help at least 12 African American individuals or families build assets through real estate purchase or renovation
- Annually help at least 12 African American entrepreneurs build assets by securing necessary capital to start or grow their businesses

For Donors

- One-year commitment required
- Minimum of \$1,000 annually
 - Can be a one-time annual gift; or monthly contributions for 12 months
- Automatic bank account deductions required for monthly giving plan
- Receive a refund of 25 percent of financial gift; paid back to donor on a quarterly basis for one year
- Tax credit for 75 percent of financial gift

NOTE: Refunds are not available for monthly plan until minimum contribution of \$1,000 is met.

EXAMPLE: \$1,000 investment 25% refund		
Quarter	Amount	Cumulative Amount
Q1	\$62.50	\$62.50
Q2	\$62.50	\$125.00
Q3	\$62.50	\$187.50
Q4	\$62.50	\$250.00

Loan Details

- Amount Range: \$5,000 to \$20,000
- Monthly Repayment Schedule
- Fixed Interest Rate
 - 10.0% based on two-year amortization
 - 12.0% based on three-year amortization

The Application Process

Applicants submit loan applications online through the BCIF website. BCIF leadership and the fund manager will review application materials and conduct due diligence (review business concepts, viability of request, financials, etc.). If applicants move beyond preliminary screening, leadership and fund manager will conduct individual interviews with the applicant, conduct a comprehensive review of financials, and assess borrowers' ability to repay. Recommended loans will be reviewed for final approval by a loan review committee comprised of selected BCIF donors. Borrowers are notified of application approval and loan amounts. Funding is processed and disbursed two weeks from formal loan approval.

Eligibility Criteria

- Primary target population: African American residents or business owners in Los Angeles County and Riverside County
- Strong potential for positive impact on the economic trajectory of the African American community
- Evidence substantiating that a microloan will help yield a financial return and future asset building
- Must demonstrate the need and a capacity to repay; Stellar credit history is required
- Annual gross household income of less than \$200,000 for individuals and less than \$500,000 in annual gross revenues for businesses (including start-ups)
- Experienced, entrepreneurial, and/or innovative leadership
- First-time home buyers and/or home buyers purchasing property in communities with high concentrations of African American residents
- African-American owned businesses, preferably with the capacity to create jobs for other African Americans

What Can We Accomplish?

- If ...
- Six borrowers purchase real estate at an average price of \$300,000;
 - Six borrowers renovate and upgrade real estate with a minimum of \$10,000 in upgrades per borrower; and
 - Twelve borrowers start or grow their businesses

Then by 2022 ...

- Assuming real estate value appreciates at a modest 20 percent rate, real estate purchased in 2017 at \$300,000 will be worth approximately \$360,000
- Assuming real estate renovation will yield a typical average return of 100%, renovated or upgraded real estate will increase \$10,000 in net equity Assuming 25 percent of 12 business owners sustain their businesses over five years, have \$10,000 in current net profits and each achieve a modest growth rate of 25 percent each year for the next five years, these businesses will each earn a cumulative \$102,588 in net profits in five years

A \$500,000 FUND COULD RESULT IN \$1.2 MILLION BEING GENERATED IN SOUTHERN CALIFORNIA'S BLACK COMMUNITY, A 145 PERCENT GROWTH RATE ON BCIF'S INVESTMENT!!!

Be part of the solution!

To become a BCIF donor today or for more information, send an email to info@bcifund.org or call 310.904.6336